



The following constitutes the order of the court.
Signed February 26, 2013

William J. Lafferty, III

William J. Lafferty, III

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

In re

No. 12-49966 WJL

Chapter 11

DSE Cantina, LLC.,
Maria Maria Danville, LLC.,
Debtor(s).

_____/

MEMORANDUM RE APPLICATION TO EMPLOY COUNSEL

Having reviewed all of the papers filed in connection with Debtor's Application to Employ Counsel, and having seen no additional filing from the Office of the United States Trustee, the Court raises the following issue.

With respect to the question of whether proposed counsel to the Debtor has a security interest in the retainer, the Court notes that while the law firm, Levene, Neale, Bender, Yoo and Brill LLP, asserts that taking a retainer creates a security interest in said retainer, the Court cannot locate language within the client retention agreement that expressly grants a security interest. If a security interest is granted, it may be that it can be perfected by holding the funds pursuant to Cal. Comm. Code § 9-305. However,

1 it is not clear that a security interest has, in fact, been granted
2 in the instant case.

3 Debtors' counsel, and anyone wishing to comment upon this
4 issue, should be prepared to discuss whether a security interest
5 was granted in favor of the law firm at the Hearing Regarding
6 Application to Employ set for February 27, 2013 at 10:30 a.m.
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COURT SERVICE LIST

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